

## Message Text

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ORIGIN PM-07

INFO OCT-01 EA-11 ISO-00 L-03 CU-04 CIAE-00 DODE-00 H-03

INR-10 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 MC-02 AID-20 IGA-02 EB-11 TRSE-00 ACDA-19

OMB-01 /145 R

DRAFTED BY PM/SAS: TCOONY/ EA/LC: SBTHOMSEN:LD

APPROVED BY PM/SAS: MR. LADD

EA - MR. STEARNS

EA/LC - MR. RIVES

L/PM - MR. MICHEL

PM/SAS - MR. GREY

----- 119008

R 102222Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY VIENTIANE

S E C R E T STATE 097724

E.O. 11652: GDS

TAGS: MASS

SUBJECT: NEW MAP ELIGIBILITY REQUIREMENT

1. THE FOREIGN ASSISTANCE ACT OF 1973 AMENDS THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, (FAA), TO ADD A NEW ELIGIBILITY REQUIREMENT FOR FURNISHING DEFENSE ARTICLES ON A GRANT BASIS TO ANY FOREIGN COUNTRY. THIS PROVISION REQUIRES THE EXECUTION OF AGREEMENTS WITH ALL PROSPECTIVE RECIPIENTS OF MAP DEFENSE ARTICLES, INCLUDING EXCESS DEFENSE ARTICLES, PROGRAMMED FROM AND AFTER JULY 1, 1974.

2. WE ARE REQUESTING OUR EMBASSIES IN OTHER MAP RECIPIENT COUNTRIES TO NEGOTIATE AND CONCLUDE AN AGREEMENT BY AN EXCHANGE OF DIPLOMATIC NOTES. WE RECOGNIZE THAT THIS MAY NOT BE FEASIBLE IN THE CASE OF LAOS. YOU ARE AUTHORIZED,

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THEREFORE, TO NEGOTIATE AND CONCLUDE AN AGREEMENT BY AN

EXCHANGE OF LETTERS WITH THE APPROPRIATE LAO OFFICIAL (E.G., CINCFAR, SISOUK OR SOUVANNA HIMSELF). THIS EXCHANGE (WHICH CAN BE CLASSIFIED) SHOULD INCORPORATE THE ESSENTIAL ELEMENTS OF THE DRAFT NOTE AT PARA 6 WHICH WE ARE USING AS A MODEL IN OUR NEGOTIATIONS WITH OTHER COUNTRIES. SINCE AGREEMENTS MUST BE CONCLUDED WITH TWENTY COUNTRIES, THE MODEL MAY BE CHANGED AS REQUIRED TO MEET LOCAL CIRCUMSTANCES. HOWEVER, ANY PROPOSED SUBSTANTIVE CHANGES MUST BE APPROVED BY THE DEPARTMENT.

3. BACKGROUND: SECTION 505(F) OF THE FAA NOW PROVIDES:

"EFFECTIVE JULY 1, 1974, NO DEFENSE ARTICLES SHALL BE FURNISHED TO ANY COUNTRY ON A GRANT BASIS UNLESS SUCH COUNTRY SHALL HAVE AGREED THAT THE NET PROCEEDS OF SALE RECEIVED BY SUCH COUNTRY IN DISPOSING OF ANY WEAPON, WEAPONS SYSTEM, MUNITION, AIRCRAFT, MILITARY BOAT, MILITARY VESSEL, OR OTHER IMPLEMENT OF WAR RECEIVED UNDER THIS CHAPTER WILL BE PAID TO THE UNITED STATES GOVERNMENT AND SHALL BE AVAILABLE TO PAY ALL OFFICIAL COSTS OF UNITED STATES GOVERNMENT PAYABLE IN THE CURRENCY OF THAT COUNTRY, INCLUDING ALL COSTS RELATING TO THE FINANCING OF INTERNATIONAL EDUCATIONAL AND CULTURAL EXCHANGE ACTIVITIES IN WHICH THAT COUNTRY PARTICIPATES UNDER THE PROGRAMS AUTHORIZED BY THE MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961."

4. THE EFFECT OF THIS PROVISION WILL BE TO CUT OFF ALL DELIVERIES OF GRANT-MAP DEFENSE ARTICLES PROGRAMMED IN FY 75 (NOT SERVICES, SUCH AS TRAINING) TO COUNTRIES WHO HAVE NOT ENTERED INTO THE REQUIRED AGREEMENT. ITS PURPOSE IS TO RECOVER FOR THE BENEFIT OF THE USG SUCH DEPRECIATED VALUE AS MAY REMAIN IN MAP ARTICLES THAT HAVE SERVED THEIR PURPOSE, LESS THE ADMINISTRATIVE COSTS OF DISPOSAL. ACCORDINGLY, EACH COUNTRY MUST AGREE TO RETURN TO THE USG THE NET PROCEEDS OF SALE FROM ANY MAP ARTICLE, WHENEVER ACQUIRED. THIS DOES NOT AFFECT SUCH SALES AS MAY HAVE ALREADY BEEN MADE. FYI. SALE OF SCRAP ARE NOT TECHNICALLY INCLUDED IN THIS STATUTORY REQUIREMENT. HOWEVER, IN ORDER TO AVOID A DISTINCTION WHICH MIGHT COMPLICATE IMPLEMENTATION OF THE STATUTE WE HAVE NOT EXCLUDED SCRAP

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SALES FROM THE PURVIEW OF THE ATTACHED DRAFT AGREEMENT.  
END FYI.

5. IT SHOULD BE NOTED THAT SECTION 505(A)(4) OF THE FAA REQUIRES EACH COUNTRY TO AGREE TO RETURN TO THE USG SUCH ARTICLES AS ARE NO LONGER NEEDED FOR THE PURPOSE FOR WHICH FURNISHED, UNLESS THE USG CONSENTS OTHERWISE. SECTION 505 (F) DOES NOT AFFECT THIS REQUIREMENT AND THUS ONLY OPERATES

WHEN THE USG HAS CONSENTED TO DISPOSAL BY THE RECIPIENT COUNTRY.

6. "THE EMBASSY OF THE UNITED STATES OF AMERICA PRESENTS ITS COMPLIMENTS TO .... HAS THE HONOR TO REFER TO RECENT DISCUSSIONS BETWEEN REPRESENTATIVES OF OUR TWO GOVERNMENTS REGARDING A NEW PROVISION OF UNITED STATES LAW WHICH PROHIBITS THE UNITED STATES GOVERNMENT FROM FURNISHING DEFENSE ARTICLES ON A GRANT BASIS TO THE GOVERNMENT OF ..., OR ANY OTHER GOVERNMENT, UNLESS THE GOVERNMENT OF ... SHALL HAVE AGREED TO PAY TO THE UNITED STATES GOVERNMENT THE NET PROCEEDS OF SALE RECEIVED BY THE GOVERNMENT OF ... IN DISPOSING OF DEFENSE ARTICLES SO FURNISHED.

IN ACCORDANCE WITH THAT NEW STATUTORY PROVISION, IT IS PROPOSED THAT THE GOVERNMENT OF .... AGREE THAT THE NET PROCEEDS OF SALE RECEIVED BY THE GOVERNMENT OF ... IN DISPOSING OF ANY WEAPON, WEAPONS SYSTEM, MUNITION, AIRCRAFT, MILITARY BOAT, MILITARY VESSEL, OR OTHER DEFENSE ARTICLE, INCLUDING SCRAP FROM ANY SUCH DEFENSE ARTICLES, RECEIVED HERETOFORE OR HEREAFTER UNDER THE MILITARY ASSISTANCE PROGRAM OF THE UNITED STATES GOVERNMENT WILL BE PAID TO THE UNITED STATES GOVERNMENT AND SHALL BE AVAILABLE TO PAY ALL OFFICIAL COSTS OF THE UNITED STATES GOVERNMENT PAYABLE IN THE CURRENCY OF THE GOVERNMENT OF ....., INCLUDING ALL COSTS RELATING TO THE FINANCING OF INTERNATIONAL EDUCATION AND CULTURAL EXCHANGE ACTIVITIES IN WHICH THE GOVERNMENT OF .... PARTICIPATES.

IT IS UNDERSTOOD THAT THIS AGREEMENT DOES NOT AFFECT ANY PRIOR AGREEMENT BY THE GOVERNMENT OF .... TO RETURN TO THE UNITED STATES GOVERNMENT ANY DEFENSE ARTICLES FURNISHED BY THE UNITED STATES GOVERNMENT ON A GRANT BASIS WHEN SUCH  
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ARTICLES ARE NO LONGER NEEDED FOR THE PURPOSES FOR WHICH THEY WERE FURNISHED, WITHOUT THE CONSENT OF THE UNITED STATES GOVERNMENT TO ANOTHER DISPOSITION.

IT IS FURTHER PROPOSED THAT THE ... REPLY STATING THAT THE FOREGOING IS ACCEPTABLE TO THE GOVERNMENT OF ... SHALL, TOGETHER WITH THIS NOTE, CONSTITUTE AN AGREEMENT BETWEEN OUR GOVERNMENTS ON THIS SUBJECT, TO BE EFFECTIVE FROM AND AFTER JULY 1, 1974." RUSH

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
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**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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**TAGS:** MASS, LA, US  
**To:** VIENTIANE  
**Type:** TE  
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